



# OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE

## Public Affairs Office

L E A D I N G I N T E L L I G E N C E I N T E G R A T I O N

**Remarks as prepared for delivery by  
The Honorable Dan Coats  
Director of National Intelligence**

**Annual Threat Assessment  
Opening Statement  
Tuesday, March 6, 2018**

- **Chairman Inhofe, Ranking member Reed, and Members of the Committee, it is an honor for me to be here today alongside General Ashley and represent the men and women of the Intelligence Community – whose hard work is reflected in this testimony.**
- **As you will hear during my remarks, we currently face the most complex, volatile, and challenging threat environment in modern times.**
- **The risk of interstate conflict is higher than any time since the end of the Cold War, and we have entered a period that can best be described as a**

**race for technological superiority against our adversaries who seek to sow division in the United States and weaken US leadership.**

- **Thus, it is ever more important that we remain vigilant to the range of threats worldwide, as we seek to do all we can to provide security to the American people.**
- **I will provide a brief overview of some of the top threats, starting with functional topics and then moving to regional.**
- **I would like to begin by starting with the cyber threat, which is one of my greatest concerns and top priorities as DNI.**

- **From US businesses to the federal government to state and local governments, we are under cyber-attack.**
- **While state actors pose the greatest cyber threats, the democratization of cyber capabilities worldwide has enabled and emboldened a broader range of actors to pursue their malign activities.**
  - **We assess that Russia, is likely to pursue even more aggressive cyber attacks with the intent of degrading our democratic values and weakening our alliances.**
  - **Persistent and disruptive cyber and influence operations will continue against the United States and European countries—using**

**elections as opportunities to undermine democracy, sow discord and undermine our values.**

- **In addition to Russian actors, we will see Chinese, Iranian, and North Korean cyber actors continue to build off of past successes to improve the scope and scale of their cyber capabilities.**
- **The second threat that I would like to address is - weapons of mass destruction.**
- **Overall, state efforts to modernize, develop, or acquire WMD, their delivery systems, or the underlying technologies, constitute a major threat to the United States and our allies.**

- **North Korea will be the most volatile and confrontational WMD threat this year, and Russia will remain the most capable WMD power and is currently expanding its nuclear weapon capabilities.**
- **State and non-state actors including the Syrian regime and ISIS possess and, in some cases, have used chemical weapons in Syria and Iraq and we continue to be concerned about some actors' pursuit of biological weapons.**
- **My third topic is the ongoing terrorist threat, which spans the sectarian gamut from ISIS and al-Qa'ida, to Lebanese Hizballah, the state-sponsored activities of Iran, and other affiliated and non-affiliated terrorist organizations.**

- **US-based homegrown violent extremists remain the primary and most difficult-to-detect Sunni terrorist threat in the United States.**
- **ISIS remains a threat to US interests in Iraq and Syria despite territorial losses and will likely focus on rebuilding in the region, enhancing its global presence, and planning and inspiring attacks worldwide.**
- **Al-Qa'ida will remain a major actor in global terrorism as it continues to prioritize a long-term strategy and remains intent on attacking the United States and US interests abroad.**
- **And Lebanese Hizballah—with the support of Iran—will continue to foment regional instability through its involvement in Syria and direction to other shi'a militant groups.**

- **I would like now to briefly transition from the threats here on earth and look to the heavens where nation-state and commercial space actors are expanding space-enabled capabilities and situational awareness.**
  - **Russia and China are expanding their space-based reconnaissance, communications, and navigation systems and both seek to mature their counter-space weapons as a means to reduce US and allied military effectiveness and perceptions of US military advantage in space.**
- **In addition to these global threats, I'll move on to regional topics, starting in East Asia.**

- **North Korea continues to pose an ever more increasing threat to the United States and to our allies and interests in the region, and the regime has committed to fielding a long-range, nuclear-armed missile capable of posing a direct threat to the U.S.**
  - **Kim Jong Un has repeatedly stated that North Korea does not intend to negotiate its nuclear weapons and missiles away, probably because he views nuclear weapons are critical to his security. Kim also probably sees nuclear ICBMs as leverage to achieve his long-term strategic ambitions to end Seoul's alliance with Washington and to eventually dominate the peninsula.**



- In the wake of its ICBM flight tests last year, we expect to see North Korea press ahead with additional missile tests this year and its Foreign Minister has threatened an atmospheric nuclear test over the Pacific.
- China will increasingly seek to expand its regional influence and shape events and outcomes globally. It will take a firm stance on its regional claims and intends to use its One Belt, One Road Initiative to increase its reach to geo-strategic locations across Eurasia, Africa, and the Pacific.
- Looking to South Asia....
- In Afghanistan we assess the overall security picture will modestly deteriorate in the coming year and Kabul will continue to bear the brunt of the Taliban-led insurgency. Afghan National

**Security Forces face unsteady performance, but with coalition support probably will maintain control of most major population centers.**

- **Complicating the Afghanistan situation is our assessment that Pakistan-based militant groups continue to take advantage of their safe haven to conduct attacks, including against US interests.**
- **We assess Pakistan will maintain ties to these militants, while limiting counterterrorism cooperation with the US.**
- **Moving now to Russia...we assess President Putin will continue to apply assertive foreign policies to shape outcomes beyond Russia's borders, while constraining his domestic opposition in the run up to next month's**

## **Presidential elections.**

- **We also assess that Putin will resort to more authoritarian tactics to maintain control amid challenges to his rule.**
- **With respect to Russian Influence efforts...**
  - **Russia perceives its past efforts as successful and views the 2018 US midterm elections as a potential target.**
  - **We continue to see Russian activities designed to exacerbate social and political fissures in the US. In the next year we assess Russia will continue to use propaganda, social media, false-flag personas, sympathetic spokesmen, and other means of**

**influence to try to build on its wide range of disruptive operations.**

- **We expect Russian influence efforts to continue in other locations as well. For example, we assess Russian aggression in the Ukraine will persist, even as we seek to bolster Ukraine's ability to defend its territorial integrity.**
- **I would now like to turn to the final region I plan on specifically addressing today - the Middle East and North Africa.**
- **This region will be characterized by political turmoil, economic fragility, and civil and proxy wars in the coming year.**

- **Iran** will remain the most prominent state sponsor of terrorism and an adversary in the Middle East. Its provocative and assertive behavior increases the potential for escalatory actions—especially in Iraq, Syria, and Yemen—that threaten US forces and allies in the region.
- **Turkey** is seeking to thwart Kurdish ambitions in the Middle East, and the ongoing Turkish incursion into northern Syria is complicating ongoing counter-ISIS activities in the region and increases the risk to US forces located in the area.
- **Syria** will face continued unrest and fighting through 2018, with spikes in violence occurring as Damascus attempts to recapture urban areas, as we are now witnessing.

- **Iraq is likely to face a lengthy period of political turmoil and conflict as the social and political challenges that gave rise to ISIS remain, and Iran's exploitation of those challenges to deepen its influence.**
- **The humanitarian crisis in Yemen, which is occurring in the midst of persistent fighting between Iranian backed Houthis and a Saudi-led coalition, is likely to persist and is emblematic of a far larger problem.**
- **These and other major conflicts have resulted in the highest number of displaced people since World War 2, presenting major social and humanitarian challenges.**
- **Finally, there is one additional threat to our nation I would like to discuss.**

- **It is deeply concerning that our increasingly fractious political process, particularly with respect to federal spending, is threatening our ability to properly defend our nation.**
- **The failure to address our long-term fiscal situation has increased the national debt to over \$20.6 trillion and growing.**
- **Our continued plunge into debt is unsustainable, and represents a dire future threat to our economic and national security.**
- **From a national defense perspective, it was former Chairman of the Joint Chiefs Mike Mullen who first identified the national debt as the greatest threat to our national security. Since then, he has been joined by numerous respected national security leaders of both parties.**

- **And our current Defense Secretary Jim Mattis has reaffirmed this assessment.**
- **I believe it is vitally important for all of us to recognize the need to address this challenge, and to take action as soon as possible, before a fiscal crisis occurs that truly undermines our ability to ensure our national security.**
- **With that, General Ashley and I are ready to take your questions.**